

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 3309 - HB 3710

March 4, 2010

SUMMARY OF BILL: Requires students to show grade-level proficiency for the purposes of promotion, either through a standardized test score or their grades on coursework. Prohibits promotion of students unless proficiency is demonstrated.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$1,950,000/One-Time
\$172,478,200/Recurring**

Increase Local Expenditures - \$86,239,000/Recurring*

Assumptions:

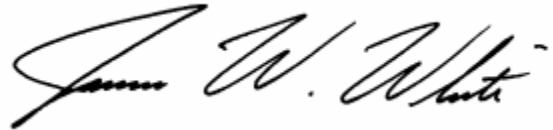
- According to the Department of Education's 2008-2009 Annual Statistical Report, approximately 21,085 students were retained and approximately 907,771 students were promoted.
- It is estimated that approximately five percent of those that were promoted will fail (45,389). The 45,389 will be additional ADM within the BEP formula.
- The BEP generates \$5,700 per ADM with approximately \$3,800 in state dollars and approximately \$1,900 in local match.
- Total increase in state BEP expenditures will be approximately \$172,478,200 (\$3,800 x 45,389).
- Total increase in local BEP match expenditures will be approximately \$86,239,100 (\$1,900 x 45,389).

- The state will develop exit exams for each grade (K-12) at a cost of approximately \$150,000 per exam. These will be one-time expenditures. The total increase in one-time state expenditures is estimated to be \$1,950,000 (\$150,000 x 13).

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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